

Written 4 December 2020

## C19 NEWSLETTER

### VACCINE OPTIMISM – WILL THE LOCKDOWN END?

The news is full of stories this week of the UK Government approving the Pfizer vaccine and who will be first to be offered the jabs and how the vaccine will be rolled out and, rightly so, people are more optimistic about the ending of lockdown and a return to some form of normality.



The vaccine is given in two doses - three weeks apart - and offers up to 95% protection against Covid-19. So it is reasonable to assume that the first people after front line NHS hospital staff and patients to get the jabs, will be residents in care homes for older adults and their carers, and that they will have immunity sometime from early 2021. That's if we believe the time frame being discussed by the Government. This may take longer than anticipated. The rollout will then continue by age group from 80 years and over, down to the over 50's in five-year age gaps.

The vaccine is truly great news, but the reality is it is going to take many months, with several vaccines, to immunise everyone over 50, and then there is the rest of the population.

So let's be realistic and accept the fact that most of us will not have immunity for the large part of 2021 and that the evidence suggests continued strict lockdown until at least March 2021. This is evidenced by the fact Government supports to businesses, such as the Furlough scheme, have been extended to this date.

For many business owners, 2020 has been the worst of the worst years, and the UK economy is expected to shrink by 11.3% this year and not return to its pre-Covid size until the end of 2022. Government borrowing will rise to its highest outside of wartime to deal with the economic impact.

That said, we have been amazed at the resilience of clients and how they have energetically repurposed or pivoted their businesses into new areas, products and services. Businesses have redesigned delivery and payment systems, moved their entire processes digital, accepted remote working or new safe working environments and adopted to new technologies to survive and indeed prosper in this Covid-19 era.

Clients have demonstrated to us how we can all readily adapt to a change in circumstances and have given us inspiration and optimism for the future. We believe that by this time next year we will be back to where we want to be and more of our daily lives will resemble some kind of normality again.

Do not give in to the virus, stay strong, be resilient and together we will move forward.

Please do talk to us about helping your business plan forward and protecting cash flows, our most successful clients know that the best way to predict the future is to create it!

The Government continues to roll out supports for businesses affected by the lockdown and here is a summary of this week's news. Please contact us about any of these supports and how we can help you make a claim.

### **CORONAVIRUS JOB RETENTION SCHEME**



The Guidance has been updated to reflect that 30 November claims deadline has now passed. There is a new section on holiday pay updated with further clarity on when employees can be furloughed.

Please talk to us about helping your business make a Furlough claim, we have much experience on doing this over the last 10 months.

See:

[https://www.gov.uk/guidance/claim-for-wage-costs-through-the-coronavirus-job-retention-scheme?utm\\_source=269b9d4d-904e-](https://www.gov.uk/guidance/claim-for-wage-costs-through-the-coronavirus-job-retention-scheme?utm_source=269b9d4d-904e-4c84-a2eb-c7014816e7a6&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate)

[4c84-a2eb-c7014816e7a6&utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_content=immediate](https://www.gov.uk/guidance/claim-for-wage-costs-through-the-coronavirus-job-retention-scheme?utm_source=269b9d4d-904e-4c84-a2eb-c7014816e7a6&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate)

## CLAIM A GRANT THROUGH THE SELF EMPLOYMENT INCOME SUPPORT SCHEME

The third grant for SEISS is now open. To make a claim for the grant, your business must have been impacted by coronavirus on or after 1 November 2020. You can make a claim for the third grant if you are eligible, even if you did not make a claim for the first or second.

What you will need to make your claim

You will need your:

- Self-Assessment Unique Taxpayer Reference (UTR)
- National Insurance number
- Government Gateway user ID and password
- UK bank details including account number, sort code, name on the account and address linked to the account

You may also need to answer questions about your passport, driving licence or information held on your credit file.

You must make your claim between 30 November 2020 and 29 January 2021 using the government website below.

See: [https://www.gov.uk/guidance/claim-a-grant-through-the-self-employment-income-support-scheme?utm\\_source=bef342d3-eb78-4bd5-98da-979be9425b13&utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_content=immediate](https://www.gov.uk/guidance/claim-a-grant-through-the-self-employment-income-support-scheme?utm_source=bef342d3-eb78-4bd5-98da-979be9425b13&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate)

## GOVERNMENT ANNOUNCES £1,000 CHRISTMAS GRANT FOR 'WET-LED PUBS' –ENGLAND

Prime Minister, Boris Johnson, has announced an additional £1,000 Christmas grant for 'wet-led pubs' in tiers 2 and 3, who will miss out on turnover during the busy Christmas period.

Pubs that predominantly serve alcohol rather than provide food, have been asked to make sacrifices over the festive season and will be eligible for a one-off £1,000 to help make ends meet.

The payment will be a one-off for December and will be paid on top of the existing £3,000 monthly cash grants for businesses. This will cover those in tiers 2 and 3 forced to reduce their operations as a result of the latest regional measures put in place to contain transmission of the virus.

See: [https://www.gov.uk/government/news/prime-minister-announces-1000-christmas-grant-for-wet-led-pubs?utm\\_source=ccdb854d-a0e3-44a1-99fb-817608ea034e&utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_content=immediate](https://www.gov.uk/government/news/prime-minister-announces-1000-christmas-grant-for-wet-led-pubs?utm_source=ccdb854d-a0e3-44a1-99fb-817608ea034e&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate)

## **LARGE BUSINESS INTERRUPTION LOAN SCHEME**

27 lenders have now signed up for the scheme.

The Coronavirus Large Business Interruption Loan Scheme (CLBILS) provides financial support to larger businesses affected by coronavirus (COVID-19).

The scheme helps medium and large sized businesses to access loans and other kinds of finance up to £200 million. The government guarantees 80% of the finance to the lender. The scheme is open to applications until 31 January 2021.

See: [https://www.gov.uk/guidance/apply-for-the-coronavirus-large-business-interruption-loan-scheme?utm\\_source=6460d115-1573-49e4-98f8-9a18161d633d&utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_content=immediate](https://www.gov.uk/guidance/apply-for-the-coronavirus-large-business-interruption-loan-scheme?utm_source=6460d115-1573-49e4-98f8-9a18161d633d&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate)

## **BUSINESS INTERRUPTION LOAN SCHEME**

117 lenders have now signed up for the scheme.

The Coronavirus Business Interruption Loan Scheme (CBILS) provides financial support to smaller businesses affected by coronavirus (COVID-19).

The scheme helps small and medium-sized businesses to access loans and other kinds of finance up to £5 million. The government guarantees 80% of the finance to the lender and pays interest and any fees for the first 12 months. The scheme is open until 31 January 2021.

See: [https://www.gov.uk/guidance/apply-for-the-coronavirus-business-interruption-loan-scheme?utm\\_source=b2a33ba1-696b-4b53-9598-1d205a82173a&utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_content=immediate](https://www.gov.uk/guidance/apply-for-the-coronavirus-business-interruption-loan-scheme?utm_source=b2a33ba1-696b-4b53-9598-1d205a82173a&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate)

## **CORONAVIRUS BOUNCE BACK LOAN**

29 lenders have now signed up for the scheme.

BBL enables smaller businesses to access finance more quickly during the coronavirus outbreak.

The scheme helps small and medium-sized businesses to borrow between £2,000 and up to 25% of their turnover. The maximum loan available is £50,000.

The government guarantees 100% of the loan and there won't be any fees or interest to pay for the first 12 months. After 12 months, the interest rate will be 2.5% a year. The scheme is open to applications until 31 January 2021. If you already have a Bounce Back Loan but borrowed less than you were entitled to, you can top up your existing loan to your maximum amount. You must request the top-up by 31 January 2021.

See: [https://www.gov.uk/guidance/apply-for-a-coronavirus-bounce-back-loan?utm\\_source=cebb0aea-33f3-4b92-9430-88cd3e8ff7cf&utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_content=immediate](https://www.gov.uk/guidance/apply-for-a-coronavirus-bounce-back-loan?utm_source=cebb0aea-33f3-4b92-9430-88cd3e8ff7cf&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate)

## **PAYMENT DEFERRAL OR DEREGISTER FROM MONEY LAUNDERING SUPERVISION DUE TO CORONAVIRUS (COVID-19)**

If you were due to renew money laundering supervision with HMRC between 1 May and 30 September 2020 you were able to either:

- defer payment for up to 6 months
- deregister if you stopped trading due to coronavirus

If you continued to operate and carry out activity covered by the Money Laundering Regulations (MLR), you needed to:

- stay registered with HMRC
- meet your obligations under the MLR, to protect your businesses and the UK from criminal activity

### **Payment deferral or deregister**

If you chose to defer you did not need to tell HMRC if you decided to defer payment.

HMRC will contact you by email to remind you about your new payment due date.

### **If you chose to deregister**

You did not need to be supervised by us, if you:

- temporarily closed your business due to coronavirus
- stopped all MLR activity

See: [https://www.gov.uk/guidance/get-a-payment-deferral-or-deregister-from-money-laundering-supervision-due-to-coronavirus-covid-19?utm\\_source=a6ecb6a0-c74a-49a9-bb4f-b19793f7a8e6&utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_content=immediate](https://www.gov.uk/guidance/get-a-payment-deferral-or-deregister-from-money-laundering-supervision-due-to-coronavirus-covid-19?utm_source=a6ecb6a0-c74a-49a9-bb4f-b19793f7a8e6&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate)

## **VAT DEFERRED DUE TO CORONAVIRUS**

If you deferred VAT between 20 March and 30 June 2020 and still have payments to make, you can:

- pay the deferred VAT in full on or before 31 March 2021
- opt into the VAT deferral new payment scheme when it launches in 2021
- contact HMRC if you need more help to pay

You can pay your deferred VAT in full by 31 March 2021.

You cannot opt in yet. The online opt in process will be available in early 2021. You must opt in yourself; we cannot do this for you. We will advise you on how to make the claim and instead of paying the full amount by the end of March 2021, you can make up to 11 smaller monthly instalments, interest free. All instalments must be paid by the end of March 2022.

Please talk to us if you deferred VAT.

See: [https://www.gov.uk/guidance/deferral-of-vat-payments-due-to-coronavirus-covid-19?utm\\_source=8227614a-f5cf-46c8-af18-1bb8d3ccee93&utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_content=immediate](https://www.gov.uk/guidance/deferral-of-vat-payments-due-to-coronavirus-covid-19?utm_source=8227614a-f5cf-46c8-af18-1bb8d3ccee93&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate)

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## **VAT: REDUCED RATE FOR HOSPITALITY, HOLIDAY ACCOMMODATION AND ATTRACTIONS**

Guidance has been updated to reflect the extension of the VAT reduced rate for tourism and hospitality from 12 January to 31 March 2021.

The government made an announcement on 8 July 2020 allowing VAT registered businesses to apply a temporary 5% reduced rate of VAT to certain supplies relating to:

- hospitality
- hotel and holiday accommodation
- admissions to certain attractions

The temporary reduced rate will apply to supplies that are made between 15 July 2020 and 31 March 2021.

See: [https://www.gov.uk/guidance/vat-reduced-rate-for-hospitality-holiday-accommodation-and-attractions?utm\\_source=9d5d8e6e-ddac-4fee-a3c3-f63ea210c5f2&utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_content=immediate](https://www.gov.uk/guidance/vat-reduced-rate-for-hospitality-holiday-accommodation-and-attractions?utm_source=9d5d8e6e-ddac-4fee-a3c3-f63ea210c5f2&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate)

## **VAT ON ADMISSION CHARGES TO ATTRACTIONS**

Guidance has been updated to reflect that the VAT reduced rate for tourism and hospitality has been extended to 31 March 2021.

See: [https://www.gov.uk/guidance/vat-on-admission-charges-to-attractions?utm\\_source=78de1193-e548-4f83-a4f2-97bd4118a7ff&utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_content=immediate](https://www.gov.uk/guidance/vat-on-admission-charges-to-attractions?utm_source=78de1193-e548-4f83-a4f2-97bd4118a7ff&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate)

## **ENGLAND – LOCAL RESTRICTION SUPPORT GRANT (FOR OPEN BUSINESSES)**

The Local Restrictions Support Grant (LRSB (Open)) supports businesses that have been severely impacted due to temporary local restrictions.

Businesses that have not had to close, but which have been severely impacted due to local tier 2 or tier 3 restrictions, may be eligible for LRSB (Open).

Eligible businesses may be entitled to a cash grant from their local council for each 14-day period under local restrictions.

Local councils have the discretion to provide grant funding for businesses under this scheme. They will use their discretion in identifying the right businesses to receive this funding, based on their application process.

See: [https://www.gov.uk/guidance/check-if-youre-eligible-for-the-coronavirus-local-restrictions-support-grant-for-open-businesses?utm\\_source=edc153fa-e3a8-448d-b45f-60a63a9e462e&utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_content=immediate](https://www.gov.uk/guidance/check-if-youre-eligible-for-the-coronavirus-local-restrictions-support-grant-for-open-businesses?utm_source=edc153fa-e3a8-448d-b45f-60a63a9e462e&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate)



## ENGLAND – CLOSING CERTAIN BUSINESSES AND VENUES IN ENGLAND

There is updated information about business and venue closures in England, reflecting the introduction of local restriction tiers that came into effect on 2 December 2020.

See: [https://www.gov.uk/government/publications/further-businesses-and-premises-to-close?utm\\_source=f5d52f74-160b-45b4-9377-be1906975ef0&utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_content=immediate](https://www.gov.uk/government/publications/further-businesses-and-premises-to-close?utm_source=f5d52f74-160b-45b4-9377-be1906975ef0&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate)